Congress of the United States Washington, DC 20515

March 3rd, 2022

The Honorable Nancy Pelosi Speaker of the House

United States House of Representatives

Washington, DC 20515

The Honorable Kevin McCarthy

Minority Leader

United States House of Representatives

Washington, DC 20515

The Honorable Charles Schumer

Majority Leader United States Senate Washington, DC 20510

The Honorable Mitch McConnell

Minority Leader United States Senate Washington, DC 20510

Dear Speaker Pelosi, Leader Schumer, Leader McCarthy, and Leader McConnell:

Over the past several months, we have been hearing from constituents on the negative impacts on their small businesses and nonprofit organizations due to the early termination of the Employee Retention Tax Credit (ERTC). Therefore, we respectfully urge you to prioritize passage of the Employee Retention Tax Credit Reinstatement Act (H.R. 6161 and S. 3625). This bipartisan legislation reinstates the Employee Retention Tax Credit through the end of calendar year 2021, as Congress intended, to help struggling small businesses and nonprofits who were counting on the ERTC to pay their employees through the end of the year.

The ERTC was originally included in the 2020 CARES Act and was overwhelmingly supported by both parties. The ERTC, along with the Paycheck Protection Program (PPP), have been viewed as the key mechanisms enacted by Congress to save, support, and stabilize small businesses and nonprofits during the COVID-19 pandemic.

The ERTC was designed to help promote small businesses affected by COVID to retain employees, rather than lay them off, or to enable small businesses to rehire employees that had previously been laid off. While less well known than the PPP, the ERTC gained familiarity throughout 2021 when it was one of the only remaining tools for businesses and nonprofits that continued to struggle due to the pandemic.

Originally set to expire at the end of 2021, the *Infrastructure Investment and Jobs Act* unfortunately cut this lifeline short and disallowed this credit for the fourth quarter of 2021. Many small businesses and nonprofits had continued to take the tax credit into the fourth quarter, and now face a retroactive tax increase and a complex, frustrating process to reconcile the credit that they had to forfeit.

The Employee Retention Tax Credit Reinstatement Act is supported by Members from across the political spectrum and across the Country. The House and Senate bills have over 70 bipartisan cosponsors and are endorsed by over 70 organizations.

Thank you for your consideration of this request.

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